

23 April 2018

LAA reports growth in AUD cash receipts of +57% in constant currency for Mx and Ec and a decrease of 47% in net operational cash outflows (vs pcp)

Mexico City – 23 April 2018: LatAm Autos Limited (ASX: LAA) (“LatAm Autos” or the “Company”) is pleased to announce its quarterly cash flow statement for the period ending 31 March 2018.

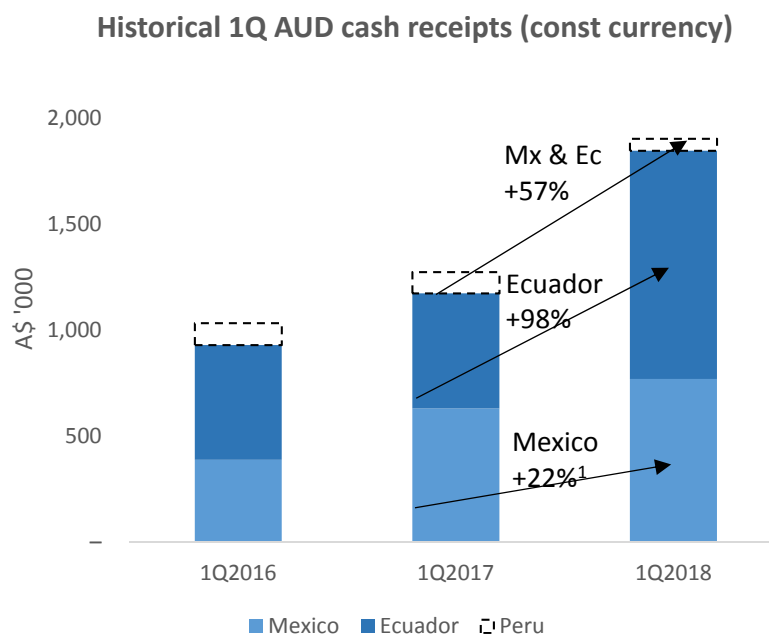
1Q18 Highlights:

- LAA currently performing ahead of budget with the plan to reach cash flow break even by the end of calendar 2018
- Local currency revenue growth versus pcp in core markets of 72% in Mexico and 28% Ecuador
- AUD cash receipts +57% (constant currency) versus pcp in core markets of Mexico (22%) and Ecuador (98%)
- Reductions in net operational cash outflows of 47% vs pcp, and 21% vs 4Q17
- Continued strong online organic traffic growth in Mexico +80% vs pcp and +6% in Ecuador
- Cross sell products quarterly sales volume growth of 23% compared to 4Q17, with 71% average quarterly growth since launch in 1Q17

Financial Overview

Total AUD cash inflows from operations during 1Q18 of A\$1.9m, of which 97% was generated in LAA’s core markets of Mexico and Ecuador. In AUD constant currency terms Mexico and Ecuador’s cash inflows increased by 57% on pcp. Of the total growth, 20% was from classifieds and 80% from cross sell products.

Chart 1: Cash receipts from core markets increased +57% in constant currency versus pcp



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Note: The chart above is depicted in constant currency terms. This means that the relevant exchange rates during 1Q18 of AUDMXN 14.86 and AUDUSD 0.7771 are applied retrospectively to the 1Q17 results to illustrate the impact of cash inflow growth without any currency conversion impacts.

¹ Growth in cash inflows in Mexico of 22% in 1Q18, compared to 72% revenue growth, due to timing of collections in 1Q18

Chart 2: Net cash outflows from operations reduced 47% versus pcp and

Excluding one off severance costs of \$125k, net operating cash outflows (total cash receipts less operational cash outflows including capex) decreased 47% versus pcp to \$1.8m, which was a reduction of 21% compared to 4Q17. The Company had a cash position of \$7.3m at 31 March 2018. If all unlisted options are exercised the Company would receive an additional \$8.7m of funding.

Historical 1Q AUD net cash outflows from operations

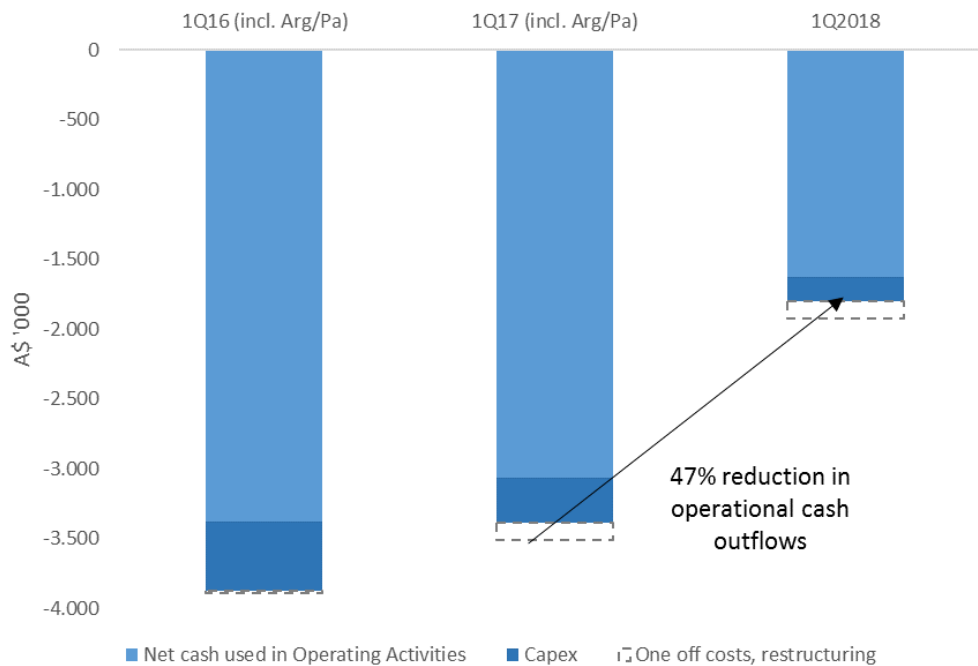
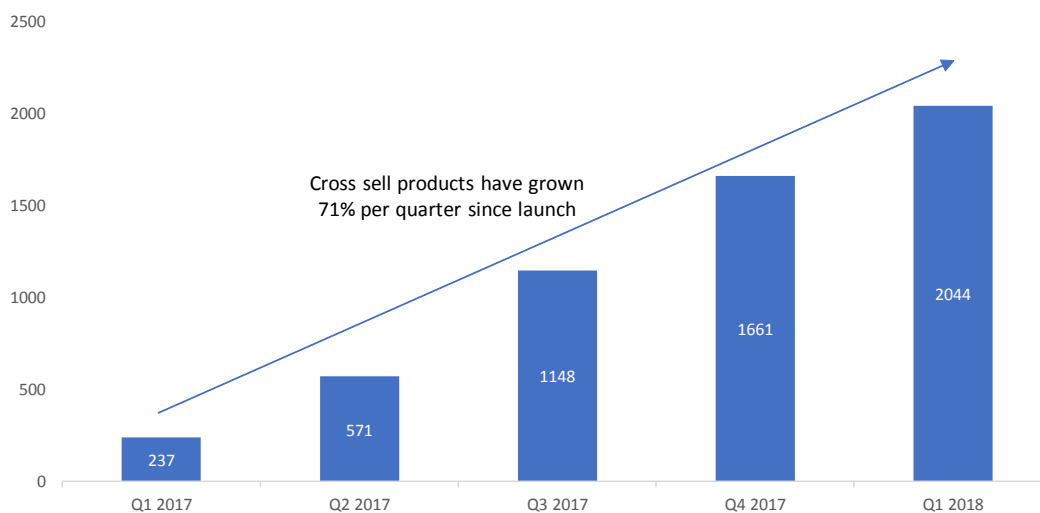


Chart 3: Cross-sell product sales volumes increased 23% on 4Q17 and 71% average quarterly growth since launch

Unit sales of all cross sell products (Mexico & Ecuador)



Cross sell product unit sales (finance, insurance and GPS tracking) increased 23% compared to 4Q17. This combined with several key automation tasks are expected to drive significant scalability of MotorCredit over the remainder of 2018 and beyond.

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Continued strong online organic traffic growth

The March quarter saw continued strong online organic (from SEO & direct sources) traffic growth, particularly in Mexico, benefitting from the network effects of leading market shares in core markets and strategic partnerships. Organic traffic increased +80% (Mexico) and +6% (Ecuador) versus pcp.

Operational update

The formal establishment of the Company's head office in Mexico City has now been completed. In addition to our CEO and CFO relocating to Mexico, the Company has now established its marketing, finance and administration teams in Mexico City. The strong performance of our Mexican business is attributable to the Company's strategy to put its Mexican business as its core focus.

Outlook

The Company expects to further accelerate and monetise its leading market position as the dedicated auto classifieds website in both Mexico and Ecuador.

Given its leading market positions, LAA is well placed to become a one stop shop for car buyers, providing a range of cross sell products to car buyers as they complete their transaction. Consequently, LAA expects cross sell sales revenues to continue their strong growth.

Mexico is expected to be LAA's key growth driver. LAA is Mexico's leading online auto classifieds platform and a leading provider of used car finance, insurance and GPS tracking. In Mexico, there are an estimated 4.8m used car sales per annum. LAA is well placed to generate continued revenue growth through provision of a range of cross sell products to motor vehicle purchasers and vendors. LAA will announce new product releases to the ASX as they are launched.

Management Commentary

CEO and Executive Director of LatAm Autos Jorge Mejia commented,

"The first quarter of 2018 was a pivotal one for LatAm Autos, where we are now seeing material improvements in our overall company profitability combined with continued rapid growth. We continue to make progress on many fronts, such as almost doubling of the organic website traffic to seminuevos.com in Mexico, the launch of our Motorfy app for dealers which now accounts for all our overall applications, strong dealer growth and several significant automation improvements.

We are ahead of budget and are on target to achieve our goal of being company wide cash flow breakeven by the end of 2018".

-Ends-

For more information, please contact:

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About LatAm Autos (ASX: LAA)

LatAm Autos is a leading dedicated online auto classifieds and content platform with operations in four countries in Latin America – Mexico, Ecuador, Peru and Panama. As early movers in the region's online auto classifieds industry, LatAm Autos is capitalising on the shift of auto classifieds advertising from traditional media sources to

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online channels. LatAm Autos is a leader and first mover in its strategy to also assist car buyers through the car purchasing transaction, as well as providing a marketplace for car buyers and sellers. Apart from its core marketplace offering, the Company provides finance, insurance and car tracking technology to customers providing a complete suite of products for car buyers across the region. For more information on LatAm Autos, please visit its website: www.latamautos.com.

Caution Regarding Forward-Looking Information

This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance, including LatAm Autos' FY17 outlook, are also forward looking statements, as are statements regarding LatAm Autos' plans and strategies and the development of the market. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of LatAm Autos, which may cause actual results to differ materially from those expressed or implied in such statements. LatAm Autos cannot give any assurance or guarantee that the assumptions upon which management based its forward-looking statements will prove to be correct or exhaustive beyond the date of its making, or that LatAm Autos' business and operations will not be affected by other factors not currently foreseeable by management or beyond its control. Such forward-looking statements only speak as at the date of this announcement and LatAm Autos assumes no obligation to update such information. The release, publication or distribution of this presentation in jurisdictions outside Australia may be restricted by law. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

LATAM AUTOS LIMITED

ABN

12 169 063 414

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,901	1,901
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(709)	(709)
(c) advertising and marketing	(392)	(392)
(d) leased assets	-	-
(e) staff costs	(1,311)	(1,311)
(f) administration and corporate costs	(937)	(937)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- Net Sales tax recovered/(paid)	(189)	(189)
- Severances	(125)	(125)
1.9 Net cash from / (used in) operating activities	(1,754)	(1,754)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(21)	(21)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	(149)	(149)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(170)	(170)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,464	2,464
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Capital raising costs)	(37)	(37)
3.10	Net cash from / (used in) financing activities	2,427	2,427

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	6,789	6,789
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,754)	(1,754)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(170)	(170)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,427	2,427
4.5	Effect of movement in exchange rates on cash held	(36)	(36)
4.6	Cash and cash equivalents at end of quarter	7,256	7,256

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,256	6,789
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,256	6,789

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	139
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Director's fees and salaries paid to directors during the March 2018 quarter.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Nil

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Nil

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(600)
9.3 Advertising and marketing	(550)
9.4 Leased assets	-
9.5 Staff costs	(1,300)
9.6 Administration and corporate costs	(1,300)
9.7 Other (provide details if material)	(400)
9.8 Total estimated cash outflows	(4,150)

* Please note that the above estimated cash outflows for the next quarter do not include inflows of receipts from customers. The cash outflows are estimates only and variable outflows are calculated on forecast revenue for the quarter. Variable outflows will change if actual revenue differs from forecast revenue.

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10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 23 April 2018

Print name:MELANIE LEYDIN.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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